

ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2016

OF THE CONDITION AND AFFAIRS OF THE

McLAREN HEALTH PLAN, INC

NAIC Group Code	4700	4700	NAIC Company Code	95562	Employer's ID Number	38-3252216
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[]		Property/Casualty[]		Hospital, Medical & Dental Service or Indemnity[]	
	Dental Service Corporation[]		Vision Service Corporation[]		Health Maintenance Organization[X]	
	Other[]		Is HMO Federally Qualified? Yes[] No[X] N/A[]			
Incorporated/Organized	09/12/1997		Commenced Business	08/01/1998		
Statutory Home Office	G-3245 Beecher Rd.		FLINT, MI, US 48532			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	G-3245 Beecher Rd.		G-3245 Beecher Rd.			
			(Street and Number)			
	FLINT, MI, US 48532		(810)733-9723			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	G-3245 Beecher Rd.		FLINT, MI, US 48532			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	G-3245 Beecher Rd.		G-3245 Beecher Rd.			
			(Street and Number)			
	FLINT, MI, US 48532		(810)733-9723			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	www.mclarenhealthplan.org					
Statutory Statement Contact	CHERYL DIEHL		(810)733-9723			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	cheryl.diehl@mclaren.org		(810)733-9652			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	
KATHY KENDALL	President	
KEVIN TOMPKINS	Chairman	
PATRICK HAYES	Secretary	#
DAVE MAZURKIEWICZ	Treasurer	
CAROL SOLOMON	Assistant Treasurer	
KATHLEEN KUDRAY D.O.	Chief Medical Officer	

OTHERS

DIRECTORS OR TRUSTEES

KATHY KENDALL

PATRICK HAYES

LAKISHA ATKINS

KEVIN TOMPKINS

DAVE MAZURKIEWICZ

State of

Michigan

County of

Genesee

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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
KATHY KENDALL	DAVE MAZURKIEWICZ	CAROL SOLOMON
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Treasurer	Assistant Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

day of

, 2017

a. Is this an original filing?

b. If no,

1. State the amendment number

2. Date filed

3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks	39,159,322		39,159,322	27,544,124
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)	2,769,627		2,769,627	2,377,993
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....139,374,828, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....15,587,578, Schedule DA)	154,962,406		154,962,406	190,373,629
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets	9,359,484	9,086,930	272,554	272,973
12.	Subtotals, cash and invested assets (Lines 1 to 11)	206,250,839	9,086,930	197,163,909	220,568,720
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	25,994		25,994	15,223
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	402,926	37,756	365,170	1,488,753
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	1,487,102		1,487,102	1,919,503
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	4,337,773	3,938,604	399,169	252,276
21.	Furniture and equipment, including health care delivery assets (\$.....0)	559,714	559,714		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	4,917,116	11,879	4,905,237	1,626,798
24.	Health care (\$.....3,177,892) and other amounts receivable	4,194,273	1,005,753	3,188,520	5,664,964
25.	Aggregate write-ins for other than invested assets				
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	222,175,738	14,640,636	207,535,101	231,536,237
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	222,175,738	14,640,636	207,535,101	231,536,237
DETAILS OF WRITE-INS					
1101.	INVENTORY	11,367	11,367		
1102.	DEFERRED CHARGES EQUIP FEES	2,255,502	2,255,502		
1103.	PREPAID EXPENSES	710,852	710,852		
1198.	Summary of remaining write-ins for Line 11 from overflow page	6,381,763	6,109,209	272,554	272,973
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	9,359,484	9,086,930	272,554	272,973
2501.	.....			
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	100,411,121		100,411,121	126,278,110
2.	Accrued medical incentive pool and bonus amounts	2,682,703		2,682,703	3,064,853
3.	Unpaid claims adjustment expenses	1,771,758		1,771,758	2,205,305
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	1,895,991		1,895,991	1,500,000
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				963,548
8.	Premiums received in advance	947,717		947,717	10,046,827
9.	General expenses due or accrued	8,633,049		8,633,049	10,901,009
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				99,539
12.	Amounts withheld or retained for the account of others	301,269		301,269	277,299
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	7,741,782		7,741,782	4,166,300
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)	112,235		112,235	1,186,923
24.	TOTAL Liabilities (Lines 1 to 23)	124,497,626		124,497,626	160,689,713
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	1,140,000	1,140,000
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	81,897,475	69,706,525
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	83,037,475	70,846,525
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	207,535,101	231,536,237
DETAILS OF WRITE-INS					
2301.	RISK ADJUSTMENT PAYABLE	112,235		112,235	834,348
2302.	RISK CORRIDOR PAYABLE				352,575
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	112,235		112,235	1,186,923
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	2,366,346	2,392,366
2.	Net premium income (including \$.....0 non-health premium income)	X X X	931,744,075	904,473,002
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	(2,167,354)	(1,854,617)
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	929,576,721	902,618,385
Hospital and Medical:				
9.	Hospital/medical benefits		647,974,054	620,612,122
10.	Other professional services		8,417,893	15,178,895
11.	Outside referrals			
12.	Emergency room and out-of-area		36,670,322	34,142,469
13.	Prescription drugs		128,542,009	123,281,786
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		1,094,431	1,866,250
16.	Subtotal (Lines 9 to 15)		822,698,708	795,081,521
Less:				
17.	Net reinsurance recoveries		2,981,176	3,733,710
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		819,717,532	791,347,811
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....1,407,220 cost containment expenses		7,406,423	7,433,342
21.	General administrative expenses		82,804,710	79,606,333
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		(963,548)	172,257
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		908,965,116	878,559,743
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	20,611,605	24,058,641
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		(122,038)	(700,222)
26.	Net realized capital gains (losses) less capital gains tax of \$.....0		3	7
27.	Net investment gains (losses) (Lines 25 plus 26)		(122,035)	(700,215)
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	20,489,570	23,358,426
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	20,489,570	23,358,426
DETAILS OF WRITE-INS				
0601.	MPCA	X X X	(2,167,354)	(1,854,617)
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(2,167,354)	(1,854,617)
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	70,846,525	51,912,293
34.	Net income or (loss) from Line 32	20,489,570	23,358,426
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(3,683,245)	(212,384)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(4,615,375)	(4,211,810)
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	12,190,950	18,934,232
49.	Capital and surplus end of reporting year (Line 33 plus 48)	83,037,475	70,846,525
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	924,451,970	913,417,617
2.	Net investment income	(132,809)	(708,782)
3.	Miscellaneous income	(2,163,508)	(1,853,358)
4.	TOTAL (Lines 1 through 3)	922,155,653	910,855,477
5.	Benefit and loss related payments	844,062,995	758,598,261
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	92,912,639	88,764,562
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	936,975,635	847,362,823
11.	Net cash from operations (Line 4 minus Line 10)	(14,819,981)	63,492,654
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		310,000
12.2	Stocks	5,202	5,148
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	(3,411,523)	(3,621,923)
12.7	Miscellaneous proceeds	2	
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	(3,406,319)	(3,306,775)
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks	15,303,644	306,773
13.3	Mortgage loans		
13.4	Real estate	660,052	304,752
13.5	Other invested assets		
13.6	Miscellaneous applications		0
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	15,963,697	611,525
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(19,370,016)	(3,918,300)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(1,221,226)	1,033,278
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,221,226)	1,033,278
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(35,411,223)	60,607,632
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	190,373,629	129,765,997
19.2	End of year (Line 18 plus Line 19.1)	154,962,406	190,373,629

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	931,744,075	46,932,177					4,905,746	879,906,152		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues	(2,167,354)							(2,167,354)		X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	929,576,721	46,932,177					4,905,746	877,738,798		
8.	Hospital/medical benefits	647,974,054	32,215,386					3,716,610	612,042,057		X X X
9.	Other professional services	8,417,893	544,696					72,763	7,800,434		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	36,670,322	1,851,787					94,296	34,724,239		X X X
12.	Prescription drugs	128,542,009	7,709,535					1,082,130	119,750,343		X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts	1,094,431						(322)	1,094,753		X X X
15.	Subtotal (Lines 8 to 14)	822,698,708	42,321,405					4,965,476	775,411,827		X X X
16.	Net reinsurance recoveries	2,981,176	2,230,162						751,015		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	819,717,532	40,091,243					4,965,476	774,660,813		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....1,407,220 cost containment expenses	7,406,423	676,517					216,872	6,513,035		
20.	General administrative expenses	82,804,710	4,336,096					816,134	77,652,479		
21.	Increase in reserves for accident and health contracts	(963,548)	(963,548)								X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	908,965,116	44,140,308					5,998,482	858,826,327		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	20,611,605	2,791,870					(1,092,736)	18,912,471		
DETAILS OF WRITE-INS											
0501.	MPCA	(2,167,354)							(2,167,354)		X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(2,167,354)							(2,167,354)		X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical)	48,098,936		1,166,758	46,932,177
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare	4,921,821		16,075	4,905,746
7.	Title XIX - Medicaid	881,402,788		1,496,582	879,906,206
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	934,423,545		2,679,415	931,744,129
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	934,423,545		2,679,415	931,744,129

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	845,453,638	55,131,261					4,335,744	785,986,633		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	2,981,176	2,230,162						751,015		
1.4 Net	842,472,462	52,901,100					4,335,744	785,235,618		
2. Paid medical incentive pools and bonuses	2,051,680							2,051,680		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	100,411,121	1,095,695					912,182	98,403,243		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	100,411,121	1,095,695					912,182	98,403,243		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	2,682,703						14	2,682,689		
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year ..	1,487,102	556,626						930,476		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	126,278,110	14,368,675					282,128	111,627,308		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	126,278,110	14,368,675					282,128	111,627,308		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	963,548	963,548								
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net	963,548	963,548								
10. Accrued medical incentive pools and bonuses, prior year	3,064,853						550	3,064,303		
11. Amounts recoverable from reinsurers December 31, prior year	1,919,503	1,486,989						432,514		
12. Incurred benefits:										
12.1 Direct	818,623,101	40,894,734					4,965,798	772,762,568		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	2,548,775	1,299,799						1,248,976		
12.4 Net	816,074,326	39,594,936					4,965,798	771,513,592		
13. Incurred medical incentive pools and bonuses	1,669,531						(536)	1,670,066		

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	68,620,289	837,138					34,282	67,748,869		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	68,620,289	837,138					34,282	67,748,869		
2. Incurred but Unreported:										
2.1 Direct	31,790,832	258,557					877,900	30,654,374		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	31,790,832	258,557					877,900	30,654,374		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	100,411,121	1,095,695					912,182	98,403,243		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	100,411,121	1,095,695					912,182	98,403,243		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	13,139,192	41,992,069	8,976	1,086,719	13,148,168	15,332,223
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	273,418	4,062,327	49,881	862,300	323,299	282,128
7.	Title XIX - Medicaid	96,189,516	689,222,017	11,387,127	87,016,116	107,576,643	111,627,308
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	109,602,126	735,276,412	11,445,985	88,965,136	121,048,111	127,241,658
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	2,028,993	22,687	366,975	2,315,728	2,395,968	3,064,853
13.	TOTALS (Lines 9 - 10 + 11 + 12)	111,631,119	735,299,100	11,812,960	91,280,864	123,444,079	130,306,511

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	47,257	47,257	47,257	47,242	47,241
2.	2012	352,130	415,304	415,304	415,400	415,399
3.	2013	X X X	428,500	499,874	500,111	500,245
4.	2014	X X X	X X X	549,940	669,390	676,895
5.	2015	X X X	X X X	X X X	635,813	739,807
6.	2016	X X X	X X X	X X X	X X X	735,299

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	47,257	47,257	47,257	47,242	47,241
2.	2012	415,040	415,304	415,304	415,400	415,399
3.	2013	X X X	502,975	499,874	500,234	500,857
4.	2014	X X X	X X X	645,954	670,475	680,108
5.	2015	X X X	X X X	X X X	764,912	752,220
6.	2016	X X X	X X X	X X X	X X X	822,155

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2012	453,188	415,399	8,195	1.973	423,594	93.470			423,594	93.470
2.	2013	532,629	500,245	3,945	0.789	504,191	94.661	612		504,802	94.776
3.	2014	722,625	676,895	1,765	0.261	678,660	93.916	3,213		681,873	94.361
4.	2015	904,650	739,807	2,089	0.282	741,896	82.009	12,413		754,309	83.381
5.	2016	931,744	735,299	1,505	0.205	736,804	79.078	86,856	1,772	825,432	88.590

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	6,730	6,730	6,730	6,725	6,724
2.	2012	53,691	65,659	65,659	65,643	65,642
3.	2013	X X X	72,930	88,858	88,945	88,933
4.	2014	X X X	X X X	96,813	144,224	144,132
5.	2015	X X X	X X X	X X X	52,684	65,930
6.	2016	X X X	X X X	X X X	X X X	41,992

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	6,730	6,730	6,730	6,725	6,724
2.	2012	64,555	65,659	65,659	65,643	65,642
3.	2013	X X X	88,072	88,858	88,945	88,933
4.	2014	X X X	X X X	113,964	144,224	144,132
5.	2015	X X X	X X X	X X X	68,016	65,938
6.	2016	X X X	X X X	X X X	X X X	43,079

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2012	68,967	65,642	897	1.366	66,539	96.479			66,539	96.479
2.	2013	88,998	88,933	839	0.944	89,772	100.870			89,772	100.870
3.	2014	117,436	144,132	563	0.391	144,696	123.212			144,696	123.212
4.	2015	107,793	65,930	295	0.447	66,224	61.437	9		66,233	61.445
5.	2016	46,932	41,992	26	0.063	42,019	89.530	1,087	33	43,138	91.916

12 Hospital and Medical

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	707	707	707	707	707
2.	2012	5,754	6,805	6,805	6,805	6,805
3.	2013	X X X	5,783	7,520	7,524	7,519
4.	2014	X X X	X X X	7,718	8,352	8,344
5.	2015	X X X	X X X	X X X	1,165	1,452
6.	2016	X X X	X X X	X X X	X X X	4,062

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	707	707	707	707	707
2.	2012	6,993	6,805	6,805	6,805	6,805
3.	2013	X X X	6,978	7,520	7,524	7,519
4.	2014	X X X	X X X	8,728	8,352	8,344
5.	2015	X X X	X X X	X X X	1,448	1,502
6.	2016	X X X	X X X	X X X	X X X	4,925

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2012	7,563	6,805	493	7.245	7,298	96.496			7,298	96.496
2.	2013	6,141	7,519	483	6.423	8,002	130.308			8,002	130.308
3.	2014	7,344	8,344	31	0.377	8,375	114.038			8,375	114.038
4.	2015	1,723	1,452	8	0.552	1,460	84.718	50		1,510	87.613
5.	2016	4,906	4,062	24	0.589	4,086	83.296	862	27	4,976	101.431

12 Title XVIII-Medicare

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	39,820	39,820	39,820	39,810	39,810
2.	2012	292,685	342,840	342,840	342,952	342,952
3.	2013	X X X	349,787	403,496	403,642	403,793
4.	2014	X X X	X X X	445,409	516,814	524,419
5.	2015	X X X	X X X	X X X	581,964	672,426
6.	2016	X X X	X X X	X X X	X X X	689,245

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	39,820	39,820	39,820	39,810	39,810
2.	2012	343,492	342,840	342,840	342,952	342,952
3.	2013	X X X	407,925	403,496	403,765	404,405
4.	2014	X X X	X X X	523,262	517,899	527,632
5.	2015	X X X	X X X	X X X	695,448	684,780
6.	2016	X X X	X X X	X X X	X X X	774,151

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2012	376,658	342,952	6,805	1.984	349,757	92.858			349,757	92.858
2.	2013	437,490	403,793	2,623	0.650	406,417	92.897	612		407,028	93.037
3.	2014	597,845	524,419	1,170	0.223	525,590	87.914	3,213		528,803	88.451
4.	2015	795,134	672,426	1,786	0.266	674,212	84.792	12,355		686,566	86.346
5.	2016	879,906	689,245	1,455	0.211	690,700	78.497	84,907	1,712	777,318	88.341

12 Title XIX-Medicaid

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior					
2.	2012	NONE				
3.	2013					
4.	2014					
5.	2015					
6.	2016	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior					
2.	2012	NONE				
3.	2013					
4.	2014					
5.	2015					
6.	2016	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2012				NONE						
2.	2013										
3.	2014										
4.	2015										
5.	2016										

12 Other

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves	1,895,991							1,895,991	
6. TOTALS (Gross)	1,895,991							1,895,991	
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	1,895,991							1,895,991	
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. Risk Corridor Payable - Healthy Michigan	1,895,991							1,895,991	
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	1,895,991							1,895,991	
1101. Commercial Premium Reserves									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)				1,108,996	1,108,996
2.	Salaries, wages and other benefits	802,003	3,419,065	8,983,740		13,204,808
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)			750,509		750,509
4.	Legal fees and expenses			16,456		16,456
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			60,458		60,458
7.	Traveling expenses	5,143	21,925	77,038		104,106
8.	Marketing and advertising			743,640		743,640
9.	Postage, express and telephone	34,486	147,018	516,588		698,092
10.	Printing and office supplies	72,825	310,464	1,169,387		1,552,676
11.	Occupancy, depreciation and amortization			1,991,460		1,991,460
12.	Equipment	121,920	519,763	1,826,327		2,468,009
13.	Cost or depreciation of EDP equipment and software	5,340	22,764	84,839		112,943
14.	Outsourced services including EDP, claims, and other services	282,715	1,205,260	6,857,950		8,345,925
15.	Boards, bureaus and association fees	17,308	73,787	259,272		350,367
16.	Insurance, except on real estate			109,253		109,253
17.	Collection and bank service charges				69,228	69,228
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses			78,541	475,778	554,319
22.	Real estate taxes			5,145		5,145
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes			58,515,190		58,515,190
23.2	State premium taxes					
23.3	Regulatory authority licenses and fees					
23.4	Payroll taxes	35,660	152,024	534,179		721,864
23.5	Other (excluding federal income and real estate taxes)	5,598	23,866	83,859		113,322
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses	24,223	103,268	362,861		490,352
26.	TOTAL Expenses Incurred (Lines 1 to 25)	1,407,220	5,999,203	83,026,691	1,654,002	(a) 92,087,116
27.	Less expenses unpaid December 31, current year			8,633,049		8,633,049
28.	Add expenses unpaid December 31, prior year			10,901,009		10,901,009
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,407,220	5,999,203	85,294,650	1,654,002	94,355,075
DETAILS OF WRITE-INS						
2501.	Business Development	1,316	5,611	19,714		26,641
2502.	Misc	4,718	20,115	70,678		95,511
2503.	Community Support	4,344	18,521	65,077		87,942
2598.	Summary of remaining write-ins for Line 25 from overflow page	13,845	59,022	207,391		280,258
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	24,223	103,268	362,861		490,352

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	206,694	206,694
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 1,108,996	1,108,996
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 473,922	484,693
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	1,789,612	1,800,383
11.	Investment expenses		(g) 1,654,002
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 268,419
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		1,922,420
17.	Net Investment income (Line 10 minus Line 16)		(122,038)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....1,108,996 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....268,419 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	3		3	431,592	
2.21	Common stocks of affiliates				(4,114,838)	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	3		3	(3,683,245)	
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets	9,086,930	5,406,569	(3,680,361)
12.	Subtotals, cash and invested assets (Lines 1 to 11)	9,086,930	5,406,569	(3,680,361)
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection	37,756	424,726	386,970
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software	3,938,604	3,806,905	(131,700)
21.	Furniture and equipment, including health care delivery assets	559,714	370,753	(188,961)
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates	11,879	11,879	
24.	Health care and other amounts receivable	1,005,753	4,429	(1,001,324)
25.	Aggregate write-ins for other than invested assets			
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	14,640,636	10,025,262	(4,615,375)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	14,640,636	10,025,262	(4,615,375)
DETAILS OF WRITE-INS				
1101.	INVENTORY	11,367	14,744	3,377
1102.	DEFERRED CHARGES EQUIP FEES	2,255,502	1,194,790	(1,060,711)
1103.	PREPAID EXPENSES	710,852	702,726	(8,126)
1198.	Summary of remaining write-ins for Line 11 from overflow page	6,109,209	3,494,309	(2,614,901)
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	9,086,930	5,406,569	(3,680,361)
2501.	.....		
2502.	.....		
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	175,184	186,950	188,200	184,405	186,387	2,231,199
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service	28,758	17,762	14,521	8,725		135,147
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	203,942	204,712	202,721	193,130	186,387	2,366,346
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

McLaren Health Plan, Inc.
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of McLaren Health Plan have been prepared in accordance with NAIC Accounting Practices and Procedures manual and statutory accounting principles as prescribed by the Michigan Department of Insurance and Financial Services. Statutory accounting principles differ from generally accepted accounting principles ("GAAP") in certain respects and include the following accounting practices:

Certain assets designated as "non-admitted assets" are excluded from the statement of admitted asset, liabilities, and capital and surplus by a direct charge to surplus. Such items include intangible assets, prepaid expenses, and certain receivables and certain depreciable/amortizable assets.

Statutory accounting principles require that the goodwill from a statutory purchase be calculated as the excess of cost of acquiring an entity over its book value, admitted subject to limitation, and amortized over a period not to exceed 10 years. Goodwill is required to be charged or credited immediately to surplus in the event that the investee to which the goodwill relates ceases to exist. GAAP requires that goodwill be recorded as a residual after the fair value of the entity and other identifiable assets have been determined, and be subject to an impairment evaluation rather than amortized.

Real estate owned and occupied by the Plan is included in investments, while under GAAP it is reported as an operating asset.

Statutory basis investment income and operating expenses include rent for the Plan's occupancy of those properties, and depreciation expense is reported as investment expense as a component of investment income for statutory financial statement purposes, rather than operating expense under GAAP.

Salvage and subrogation are recognized when received rather than when earned, as required by GAAP.

Comprehensive income and its components are not presented in the statutory basis financial statements.

Subsidiaries are included as common stock carried under the statutory equity method, with changes in the carrying value credited or debited directly to the Plan's surplus for statutory accounting principles. GAAP requires consolidation or, for those entities being accounting for under the equity basis of accounting, that their net income or loss be recognized in the statement of operations.

The statement of cash flows is prepared in the prescribed statutory format.

The Plan adopted the NAIC's Codification of Statutory Accounting Principles on January 1, 2003 at the direction of the Michigan Department of Insurance and Financial Services. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Plan, except for the prescribed practice for SSAP 84, Certain Health Care Receivables and Receivables under Government Insured Plans. There is no impact on statutory surplus of the differences in accounting principles prescribed by the NAIC and the State of Michigan, due to the prescribed practice referenced above.

Notes to Financial Statements

	Description	SSAP	F/S Page	F/S Line #	State of Domicile	2016	2015
Net Income							
	1 State Basis	XXX	XXX	XXX	MI	20,489,570	23,358,426
	2 State Prescribed Practices that increase/(decrease) NAIC SAP					-	-
	3 State Permitted Practices that increase/(decrease) NAIC SAP					-	-
	4 NAIC SAP	XXX	XXX	XXX	MI	20,489,570	23,358,426
Surplus							
	5 State Basis	XXX	XXX	XXX	MI	83,037,475	70,846,525
	6 State Prescribed Practices that increase/(decrease) NAIC SAP					-	-
	7 State Permitted Practices that increase/(decrease) NAIC SAP					-	-
	8 NAIC SAP	XXX	XXX	XXX	MI	83,037,475	70,846,525

B. Use of Estimates in the Preparation of the Financial Statements

Preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates exist relating to accrued health care costs. These estimates are actuarially determined and represent the Plan’s best estimate of the level of claims to be paid applicable to 2016 or prior periods. Any future adjustments to these amounts will affect the reported results in the future periods.

C. Accounting Policy

- (1) Short-term investments: Short-term investments are all highly liquid investments purchased with an original maturity of 3 months or less. Short-term investments are comprised solely of money market mutual funds. These investments are stated at fair value.
- (2) Bonds: Bonds are stated at amortized cost using the interest method.
- (3) Common Stock: Unaffiliated common stocks are stated at fair market value, as prescribed by the NAIC Securities Valuation Office.

Health Advantage Inc. d/b/a McLaren Health Advantage, Inc. and McLaren Health Plan Community are wholly owned subsidiaries of the Plan. The Plan carries them on the statutory equity basis in accordance with Statement of Statutory Accounting Principles (SSAP) No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88* (SSAP 97).
- (4) Preferred Stock: None
- (5) Mortgage Loans: None
- (6) Loan-Backed Securities: None
- (7) Investments in Subsidiaries, Controlled and Affiliated Companies: The Plan is the parent corporation of Health Advantage, Inc., a licensed Michigan TPA. The Plan carries Health Advantage, Inc., at SSAP equity basis.

During 2010, the Plan became the Parent Corporation of McLaren Health Plan Insurance Company. The Plan carries McLaren Health Plan Insurance Company at SSAP equity basis. In 2014, McLaren Health Plan Insurance Company was dissolved.

Notes to Financial Statements

During 2011, the plan became the Parent Corporation for McLaren Health Plan Community. The Plan carries McLaren Health Plan Community at SSAP equity basis.

(8) Investments in Joint Ventures, Partnerships, and Limited Liability Companies: None

(9) Derivatives: None

(10) Anticipated investment income is not a factor in the premium deficiency calculation.

(11) Estimates of liabilities for losses and loss/claim adjustment expenses are made by our independent actuary and are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals, are based on actuarial assumptions relevant to contract provisions, and include appropriate provision for all actuarial terms that ought to be established.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss/lag reports, based on past experience, for losses incurred but not reported. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

(12) Capitalization policy and the resultant predefined thresholds did not change from the prior period.

(13) Pharmaceutical rebates receivables are derived from actual confirmed receipts from the PBM.

D. Going Concern

Management has evaluated McLaren Health Plan's ability to continue as a going concern and has no substantial doubt about McLaren Health Plan's ability to continue as a going concern.

Note 2 - Accounting Changes and Corrections of Errors: None

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance: None

D. Impairment Loss: None

Note 4 - Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale

In 2016, as comprehensive commercial policies renewed, these policies were written by McLaren Health Plan Community, a wholly-owned subsidiary of McLaren Health Plan. All of this business was moved to McLaren Health Plan Community by December 31, 2016.

B. Change in Plan of Sale of discontinued Operation: None

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal: None

Notes to Financial Statements

D. Equity Interest Retained in the Discontinued Operation After Disposal: None

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgage: None
- D. Loan Backed Securities: None
- E. Repurchase Agreements and/or Securities Lending Transactions: None
- F. Real Estate: None
- G. Low-Income Housing Tax Credits (LIHTC): None
- H. Restricted Assets:

		1	2	3	4	5	6
	Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percent Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown						
b.	Collateral held under security lending agreements						
c.	Subject to repurchase agreements						
d.	Subject to reverse repurchase agreements						
e.	Subject to dollar repurchase agreements						
f.	Subject to dollar reverse repurchase agreements						
g.	Placed under option contracts						
h.	Letter stock or securities restricted as to sale						
i.	FHLB capital stock						
j.	On deposit with states	1,220,392	1,217,563	2,829	1,220,392	0.558	-
k.	On deposit with other regulatory bodies						
l.	Pledged collateral to FHLB (including assets backing funding agreements)						
m.	Pledged as collateral not captured in other categories						
n.	Other restricted assets						
o.	Total Restricted Assets	1,220,392	1,217,563	2,829	1,220,392	0.558	-

- I. Working Capital Finance Investments: None
- J. Offsetting and Netting of Assets and Liabilities: None
- K. Structured Notes: None
- L. 5* Securities: None

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investment in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships or Limited Liability Companies during the statement periods.

Note 7 - Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:
All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

Notes to Financial Statements

B. The total amount excluded was \$0.

Note 8 - Derivative Investments: None

Note 9 - Income Taxes

- A. Components of Net Deferred Income Tax Asset: N/A
- B. Extent That DTL’s Are Not Recognized: N/A
- C. Disclosure of Significant Components of Income Taxes Incurred: N/A
- D. Sum of Reporting Entity’s Income Tax Incurred: N/A
- E. Reporting Entity Additional Disclosure: N/A
- F. Consolidated Federal Income Tax: N/A
- G. McLaren Health Care Corporation is subject to routine audits by taxing jurisdictions. McLaren Health Care Corporation, McLaren Health Plan’s parent company and its subsidiaries completed an audit in 2014, covering the tax periods of 2010, 2011, and 2012. McLaren Health Plan has received a notice from the IRS dated 01/21/15 stating the Plan as exempt from Federal income tax under IRS section 501 (c) (4) of the internal revenue code retroactive to August 1, 2012. The plan is however, subject to unrelated business income tax. For 2016, the plan had no significant unrelated business income.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of the relationship:

McLaren Health Care Corporation (MHCC), a Michigan nonprofit corporation and holding company of various health care entities is the sole parent of McLaren Health Plan. The parent company initially invested into McLaren Health Plan gross paid in and contributed surplus of \$1,140,000.

McLaren Regional Medical Center dba McLaren Flint, is a subsidiary of McLaren Health Care Corporation.

PHNS was purchased by CONJOIN in November 2010. The merged entity changed its name to Anthelio HealthCare Solutions in early 2011. MHCC still maintained its ownership as a shareholder. In September of 2016, Anthelio was purchased by Atos and McLaren Health Care Corporation is no longer a shareholder.

Health Advantage Inc., is a wholly owned subsidiary of McLaren Health Plan.

McLaren Health Plan Community is a wholly owned subsidiary of McLaren Health Plan. The parent company initially invested into McLaren Health Plan Community gross paid in capital and contributed surplus of \$3,000,000 in 2011. An additional investment of \$15,000,000 was made in 2016.
- B. No Change
- C. No Change

Notes to Financial Statements

- D. Due from Affiliates: \$4,905,237 amounts due from affiliate for administrative services and information system operations support. The amounts are settled monthly.

Due to Affiliates: \$7,741,782 amounts due to affiliate per contract for various administrative support, including personnel and information system operations support. The amounts are settled monthly.

- E. Guarantees or undertakings: No Change

- F. Management & Service Agreements:

(1) McLaren Health Plan and McLaren Health Care Corporation:

There are the following agreements between the companies.

- The Management Agreement states McLaren Health Care Corporation agrees to provide certain operational services and other resources to McLaren Health Plan. Amount for 2016 was \$6,613,548
- The Service Agreement states McLaren Health Care Corporation agrees to provide a Leased Employee to perform certain operational, personnel services, and other resources to McLaren Health Plan.
- The Management Agreement states McLaren Health Plan agrees to provide certain operational services and other resources to McLaren Health Care Corporation.

(2) McLaren Health Plan and McLaren Regional Medical Center, DBA McLaren Flint:

MRMC agrees to provide certain accounting / resource services to McLaren Health Plan. Amount for 2016 was \$12,736

(3) McLaren Health Plan and Anthelio HealthCare Solutions:

Anthelio HealthCare Solutions agrees to provide certain information technology and telephony services to McLaren Health Plan. Amount for 2016 was \$446,738. In September of 2016, Anthelio was purchased by Atos and McLaren Health Care Corporation is no longer a shareholder.

(4) McLaren Health Plan and Health Advantage:

McLaren Health Plan agrees to provide certain operational, personnel services and other resources to Health Advantage. Amount for 2016 was \$9,630,861

(5) McLaren Health Plan and McLaren Health Plan Community:

McLaren Health Plan agrees to provide certain operational, personnel services and other resources to MHPC. Amount for 2016 was \$18,697,188

(6) McLaren Health Plan and McLaren Medical Group:

McLaren Medical Group agrees to provide the services of the Physician to serve as the Chief Medical Officer for McLaren Health Plan.

- G. Nature of Control Relationship: McLaren Health Plan is the sole owner and parent company of McLaren Health Plan Community and Health Advantage.

- H. Upstream/downstream activity: None

- I. Investment in SCA: None

Notes to Financial Statements

- J. Investments in impaired SCA: None
- K. Investment in foreign insurance subsidiary: None
- L. Investment in downstream noninsurance holding company: None
- M. All SCA Investments:

(1) Balance Sheet Value

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
b. SSAP No. 97 8b(ii) Entities				
Health Advantage	100%	\$ 2,876,693	\$ 2,876,693	\$ 2,876,693

(2) NAIC Filing Response Information: McLaren Health Plan received a one year waiver dated November 29, 2016 from submitting its investment in McLaren Health Advantage to the NAIC SVO for valuation.

- N. Investment in Insurance SCAs: N/A

Note 11 – Debt: None

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan
See G Below
- B. Narrative Description of Investment Policies and Strategies: N/A
- C. Fair Value of each class of Plan Assets: N/A
- D. Narrative Description: N/A
- E. Defined Contribution Plans:
McLaren Health Plan employees hired on or after October 1, 2004 are covered by a qualified defined contribution plan which is a part of the master trust agreement with MHCC. Vesting period for contribution matching by McLaren Health Plan is 1 year (previous to 2014, was 2 year vesting period). For 2016, the employer contribution was \$540,767.
- F. Multiemployer Plans: None
- G. Consolidated/Holding Company Plans: McLaren Health Plan is a wholly owned subsidiary of McLaren Health Care Corporation, which sponsors a defined benefit pension plan covering substantially all of McLaren Health Plan employees whose employment began prior to Oct 1, 2004. The benefits under the plan are based on years of service and the employee’s termination of employment. The plan has no legal obligation for benefits under this plan. The funding policy is to contribute annually an amount in accordance with the standards of the Employee Retirement Income Security Act of 1974. Contributions are intended to provide not only the benefits attributed to services to date, but also those expected to be earned in the future. As of Oct 1, 2012, the pension plan has been frozen.
- H. Postemployment Benefits and Compensated Absences: They are accrued.
- I. The impact of Medicare Modernization Act on Post-Retirement Benefits are not reflected in the financial statements or accompanying notes.

Note 13 - Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- 1) Capital stock: None
- 2) Preferred stock: None
- 3) Dividend restrictions: Subject to other regulatory limitations on capital and surplus and working capital, the Plan is limited by statute to paying dividends no greater than annual income or 10 percent of surplus without prior approval of the Michigan Department of Insurance and Financial Services.
- 4) Date and amount of dividends issued: None
- 5) Within the limitations of (3) above, there are no restrictions placed on the portion of the Plan profits that may be paid as ordinary dividends to stockholders.
- 6) Restrictions placed on unassigned funds (surplus): None
- 7) Advances of surplus not paid: None
- 8) Amount of stock held for special purposes: None
- 9) Special surplus funds: None
- 10) Unassigned funds (surplus) represented or reduced: None
- 11) Surplus notes: None
- 12) Impact of any restatement due to quasi-reorganization: None
- 13) Effective date(s) of a quasi-reorganization in the prior 10 years: None

Note 14 - Liabilities, Contingencies and Assessments

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Note 15 – Leases

McLaren Health Plan currently holds two building leases:

The lease for the East Lansing office was renewed on March 17th, 2015 for a period of five (5) years, commencing on April 1, 2015, fully to be completed and ended March 31, 2020. The lease includes an option to extend the Lease for two 3-year terms at Tenant’s option at the same terms as if the Lease continues under the original provisions provided the rental rate for the first optional extension shall be \$20,191 monthly and the rental rate for the second option shall be \$21,705 monthly or the current market rate.

The lease for the Auburn Hills office was executed on May 21, 2012, commenced on July 1, 2012 and is for ten years.

The future minimum lease payments under all non-cancelable leases are as follows:

2017	\$212,830
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Notes to Financial Statements

2018	\$218,854
2019	\$224,877
2020-2022	\$628,452

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk: None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities: None

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO plans – N/A
- B. ASC plans – N/A
- C. Medicare or similarly structured cost based reimbursed contracts

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators: None

Note 20 - Fair Value Measurement

A. Fair Value Measurements at Reporting Date

Accounting standards require certain assets and liabilities be reported or disclosed at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Plan’s assets and liabilities measured at fair value at December 31, 2016, and the valuation techniques used by the Plan to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active market for identical assets or liabilities that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Notes to Financial Statements

	Assets measured or disclosed at Fair Value at December 31, 2016			
	Level 1	Level 2	Level 3	Total
Cash, Cash Equivalents, and Short-term Investments	\$154,962,406.09			\$154,962,406
Mutual funds - Industrial and miscellaneous	\$22,412,178.71			\$22,412,179
Total	\$177,374,585			\$177,374,585
	Assets measured or disclosed at Fair Value at December 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash, Cash Equivalents, and Short-term Investments	\$190,373,629			\$190,373,629
Mutual funds - Industrial and miscellaneous	\$21,682,143			\$21,682,143
Total	\$212,055,772			\$212,055,772

The following summarizes the valuation methodology used in determining fair value measurements of significant classes of the Plan’s financial instruments:

Level 1 Measurements

Cash and Cash Equivalents – the fair value of cash is the Plan’s reported cash balances.

Short-term Investments – Short-term investments are comprised solely of money market funds. The fair value of these funds is based on the net asset value of the funds.

Mutual Funds – the fair value of these stocks and funds is based upon the unadjusted quoted prices for the identical security in active markets that the Plan can access.

- B. Fair Value information under SSAP No. 100 combined with Fair Value information under other accounting pronouncements: None
- C. Aggregate Fair Value of All Financial Instruments: None
- D. Not Practicable to Estimate Fair Value: None

Level 2 Measurements

Bonds – The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, prepayment speeds, collateral performance, and credit spreads.

Note 21 - Other Items

- A. Extraordinary Items: None
- B. Troubled Debt Restructuring: Debtors: None
- C. Other Disclosures and Unusual Items: Short-term investments in the amount of \$1,220,392 as of 12/31/16 are on deposit with the State of Michigan Treasury in a safekeeping account as required by regulation.
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable Tax Credits: None
- F. Subprime Mortgage Related Risk Exposure: None
- G. Retained Assets: None
- H. Insurance-Linked Securities (ILS) Contracts: None

Note 22 - Events Subsequent: None

Note 23 – Reinsurance

Notes to Financial Statements

The Plan cedes reinsurance under a specific excess loss reinsurance agreement. During 2016 the Plan's specific deductible per covered person is \$375,000 for commercial, \$250,000 for Medicare, \$275,000 for Medicaid (ABAD, AFDC, OAA, MI Child and Healthy MI) and \$400,000 (CSHCS), up to a maximum per covered person of \$1,000,000 for Medicaid, \$1,000,000 for Medicare and \$2,000,000 for commercial.

The Plan is also a participant in the transitional reinsurance program under the requirements of the Patient Protection and Affordable Care Act. This program provides funding to insurers in the individual market that incur high claim costs for enrollees. The program requires assessments from all issuers of major medical commercial products and third-party administrators on behalf of group health plans based on a per member annual fee established by the Department of Health and Human Service (HHS). The Plan had no individuals on/off exchange in 2016 as they had all moved over to MHP Community. The Plan has a remaining reinsurance recoverable from 2015 related to this program of \$139,776 as of 12/31/16.

Uncollectible Reinsurance: None

Commutation of Ceded Reinsurance: None

Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Medicare Advantage: The Plan provides Medicare Advantage Health Coverage to approximately 416 members. Retrospective premiums are estimated based on members risk score adjustments submitted to CMS.
- B. The Plan records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Plan at December 31, 2016 that are subject to retrospective rating features was \$4,770,159 representing less than 1% of total net premiums written.
- D. Medical loss rebates required pursuant to the Public Health Service Act –The Plan is required to refund premiums to subscribers to the extent medical loss ratios fall short of those specified percentages as directed by the Affordable Care Act. Effective December 31, 2016, the Plan estimated that no amounts will be paid out and no accrual has been recorded as of December 31, 2016.
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 - Risk adjustment program - Premium adjustments pursuant to the risk adjustment program will be based on the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Risk adjustment receivables or payables are estimated based on experience to date and determinations of the Plan's risk score versus the overall market risk score. These amounts represent the estimated amounts receivable or payable for both individual and small group populations, and are based on general demographic data and health status of these populations and data assumptions regarding the general health status of the overall market for which there is limited data. Amounts will be re-determined with final calculations are performed for the market in 2017.
 - Transitional reinsurance program - The transitional reinsurance program is effective for plan years 2014 through 2016. In general, this program provides funding to insurers in the individual market that incur high claim costs for enrollees. The program requires assessments from all issuers of major medical commercial products and third-party administrators on behalf of group health plans based on a per member annual fee established by the Department of Health and Human Services (HHS).

Notes to Financial Statements

- Risk corridors - The risk corridors program is effective for benefit years beginning in 2014 through 2016. The purpose of the program is to provide limitations on issuer losses and gains for qualified health plans through additional protection against initial pricing risk. The program creates a mechanism for sharing the risk for allowable costs between the federal government and the qualified health plan issuers. Although the risk corridors program provides protection against extreme bounds of experience, there is a substantial corridor in which all variance in experience directly affects the loss experience of the Plan. For the 2014 year, the Plan only received 12.6% of the estimated risk corridor receivable from CMS due to a shortfall of the program’s funding. The Plan has concluded to write-off anything above the 12.6% to premium. For 2015, the Plan has recorded an estimated receivable of \$3,392,406, but has decided to non-admit the entire receivable based upon the overall shortfall for the program. For 2016, the plan has recorded an estimated receivable of \$2,611,404, but has decided to non-admit the entire receivable based upon the overall shortfall for the program.
- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions – Yes

(2)

Notes to Financial Statements

IMPACT OF RISK-SHARING PROVISIONS OF THE ACA			
			AMOUNT
Permanent ACA Risk Adjustment Program			
	Assets		
		Premium adjustments receivable due to ACA Risk Adjustment	\$ -
	Liabilities		
		Risk adjustment user fees payable for ACA Risk Adjustment	\$ 2,226.06
		Premium adjustments payable due to ACA Risk Adjustment	\$ 112,235.23
	Operations (Revenue & Expense)		
		Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (112,235.23)
		Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 2,226.06
Transitional ACA Reinsurance Program			
	Assets		
		Amounts recoverable for claims paid due to ACA Reinsurance	\$ 139,776.35
		Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ -
		Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ -
	Liabilities		
		Liabilities for contribution payable due to ACA Reinsurance - not reported as ceded premium	\$ -
		Ceded reinsurance premiums payable due to ACA Reinsurance	\$ 368,443.00
		Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
	Operations (Revenue & Expense)		
		Ceded reinsurance premiums due to ACA Reinsurance	\$ 368,443.00
		Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 139,776.35
		ACA Reinsurance contributions - not reported as ceded premium	\$ -
Temporary ACA Risk Corridors Program			
	Assets		
		Accrued retrospective premium due to ACA Risk Corridors	
	Liabilities		
		Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ -
	Operations (Revenue & Expense)		
		Effect of ACA Risk Corridors on net premium income (paid/received)	\$ (112,235.23)
		Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

ROLL-FORWARD OF PRIOR YEAR ACA RISK-SHARING PROVISIONS

(3)	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable (Payable)
Permanent ACA Risk Adjustment Program										
Premium adjustments receivable					\$ -	\$ -			A	\$ - \$ -
Premium adjustments (payable)	\$ 8,592	\$ (834,348)	\$ 1,818,319		\$ (1,809,727)	\$ (834,348)	\$ 1,819,296	\$ 834,348	B	\$ 9,569 \$ -
Subtotal ACA Permanent Risk Adjustment Program	\$ 8,592	\$ (834,348)	\$ 1,818,319	\$ -	\$ (1,809,727)	\$ (834,348)	\$ 1,819,296	\$ 834,348		\$ 9,569 \$ -
Transitional ACA Reinsurance Program										
Amounts recoverable for claims paid	\$ 774,567		\$ 1,139,361		\$ (364,795)	\$ -	\$ 504,571		C	\$ 139,777 \$ -
Amounts recoverable for claims unpaid (contra liability)					\$ -	\$ -			D	\$ - \$ -
Amounts receivable relating to uninsured plans					\$ -	\$ -			E	\$ - \$ -
Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		\$ -		\$ -	\$ -	\$ -			F	\$ - \$ -
Ceded reinsurance premiums payable		\$ (1,127,020)		\$ (1,114,447)	\$ -	\$ (12,573)		\$ 12,573	G	\$ - \$ 0
Liability for amounts held under uninsured plans					\$ -	\$ -			H	\$ - \$ -
Subtotal ACA Transitional Reinsurance Program	\$ 774,567	\$ (1,127,020)	\$ 1,139,361	\$ (1,114,447)	\$ (364,795)	\$ (12,573)	\$ 504,571	\$ 12,573		\$ 139,777 \$ 0
Temporary ACA Risk Corridors Program										
Accrued retrospective premium	\$ 3,401,830	\$ (352,575)	\$ 21,561		\$ 3,380,269	\$ (352,575)	\$ 2,146,304	\$ 352,575	I	\$ 5,526,574 \$ -
Reserve for rate credit or policy experience rating refunds					\$ -	\$ -	\$ -	\$ -	J	\$ - \$ -
Subtotal ACA Risk Corridors Program	\$ 3,401,830	\$ (352,575)	\$ 21,561	\$ -	\$ 3,380,269	\$ (352,575)	\$ 2,146,304	\$ 352,575		\$ 5,526,574 \$ -
Total for ACA Risk Sharing Provisions	\$ 4,184,989	\$ (2,313,943)	\$ 2,979,241	\$ (1,114,447)	\$ 1,205,748	\$ (1,199,496)	\$ 4,470,172	\$ 1,199,496		\$ 5,675,920 \$ 0

Notes to Financial Statements

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date		
							Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 +7)	Balance from Prior Years (Col 2 - 4 + 8)
					1	2						
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. 2014												
1. Accrued retrospective premium					\$ -	\$ -						
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -						
b. 2015												
1. Accrued retrospective premium	\$ 3,401,830	\$(352,575)	\$21,561		\$ 3,423,392	\$(352,575)	\$2,146,304	\$352,575		\$ 5,569,696		
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -						
c. 2016												
1. Accrued retrospective premium					\$ -	\$ -				\$ -		
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -						
d. Total for Risk Corridors	\$ 3,401,830	\$(352,575)	\$21,561	\$ -	\$ 3,423,392	\$(352,575)	\$2,146,304	\$352,575	\$ -	\$ 5,569,696	\$ -	

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	Estimated Amount to be Filed or Final amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non- admissions)	Non-Admitted Amount	Net Admitted Asset
2014	\$ 57,710	\$ -	\$ 57,710	\$ -	\$ -	\$ -
2015	\$ 5,526,573	\$ -	\$ -	\$ 5,526,573	\$ 5,526,573	\$ -
2016		\$ -	\$ -	\$ -		\$ -
Total	\$ 5,584,283	\$ -	\$ 57,710	\$ 5,526,573	\$ 5,526,573	\$ -

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

An enrolled actuary has determined the estimated reserve for claims incurred but not reported. Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

Note 26 - Intercompany Pooling Arrangements: None

Note 27 - Structured Settlements: N/A

Note 28 - Health Care Receivables

The Plan has no accounts receivable for pharmaceutical rebates. Pharmacy rebate receivables were as follows:

Notes to Financial Statements

Quarter	Estimated pharmacy rebates reported	Pharmacy rebates as billed	Actual rebates received <= 90 days	Actual rebates received 91 - 180 days	Actual rebates received > 180 days	Total Received
12/31/16			-	-	-	-
09/30/16			-	-	-	-
06/30/16			440,709	-	-	440,709
03/31/16			398,030	-	-	398,030
12/31/15			-	230	498,332	498,562
09/30/15			-	-	481,753	481,753
06/30/15			-	6,586	510,282	516,868
03/31/15			-	-	486,841	486,841
12/31/14			-	-	658,427	658,427
09/30/14			-	-	892,830	892,830
06/30/14			-	-	259,178	259,178
03/31/14			-	-	206,522	206,522
12/31/13			-	-	329,673	329,673
09/30/13	-	-	-	-	312,368	312,368
06/30/13	-	-	-	-	300,062	300,062
03/31/13	-	-	-	-	225,570	225,570

B. Risk Sharing Receivables –See note 24.

Note 29 - Participating Policies: None

Note 30- Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves: None
2. Date of the most recent evaluation of this liability: December 31, 2016
3. Was anticipated investment income utilized in the calculation? No

Note 31 - Anticipated Salvage and Subrogation: None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
If yes, complete Schedule Y, Parts 1, 1A and 2.
1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
1.3 State Regulating? Michigan
2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
2.2 If yes, date of change:
3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2014
3.4 By what department or departments? Michigan Department of Insurance and Financial Services
3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[] No[X]
4.12 renewals? Yes[] No[X]
4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[] No[X]
4.22 renewals? Yes[] No[X]
5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

Table with 3 columns: 1 Name of Entity, 2 NAIC Company Code, 3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
6.2 If yes, give full information:
7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

Table with 2 columns: 1 Nationality, 2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

Table with 6 columns: 1 Affiliate Name, 2 Location (City, State), 3 FRB, 4 OCC, 5 FDIC, 6 SEC

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? PLANTE AND MORAN LLP, 1111 MICHIGAN AVE. EAST LANSING MI 48823
10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
10.2 If response to 10.1 is yes, provide information related to this exemption:
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
10.4 If response to 10.3 is yes, provide information related to this exemption:
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? JOHN VATAHA, ASA, MAAA ACTUARY CONSULTANT, 27627 North 168th Street, Scottsdale, AZ 85263

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

0
- 12.13 Total book/adjusted carrying value

\$0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

Yes[] No[] N/A[X]
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$0
- 20.12 To stockholders not officers

\$0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$0
- 20.22 To stockholders not officers

\$0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$0
- 21.22 Borrowed from others

\$0
- 21.23 Leased from others

\$0
- 21.24 Other

\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$0
- 22.22 Amount paid as expenses

\$0
- 22.23 Other amounts paid

\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$92,658

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.103 Total payable for securities lending reported on the liability page.

\$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Placed under option agreements

\$ 0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ 0

25.27 FHLB Capital Stock

\$ 0

25.28 On deposit with states

\$ 0

25.29 On deposit with other regulatory bodies

\$ 1,220,392

25.30 Pledged as collateral - excluding collateral pledged to an FHLB

\$ 0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements

\$ 0

25.32 Other

\$ 0
- 25.3 For category (25.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]
- If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
JPMORGAN CHASE BANK, NA	1111 POLARIS PARKWAY, COLUMBUS OH 43240
FIFTH THIRD BANK	111 LYON ST SW, GRAND RAPIDS MI 49503

- 28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

- 28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1	2
Name of Firm or Individual	Affiliation
.....

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes[] No[X]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes[] No[X]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds
30.2 Preferred stocks
30.3 Totals

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[] No[X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[] No[] N/A[X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

34.1 Amount of payments for legal expenses, if any?

\$..... 16,456

34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	931,744,075	904,650,355
2.2	Premium Denominator	931,744,075	904,473,002
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	103,093,824	130,306,511
2.5	Reserve Denominator	104,989,815	131,806,511
2.6	Reserve Ratio (2.4 / 2.5)	0.982	0.989

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 537,500

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

ALL ABOVE TOPICS ARE INCLUDED IN ALL PROVIDER CONTRACTS WITH LANGUAGE APPROVED BY DIFS

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 23,760

8.2 Number of providers at end of reporting year

..... 26,656

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 0

10.22 Amount actually paid for year bonuses

\$ 0

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

MICHIGAN

11.4 If yes, show the amount required.

\$ 57,097,248

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

200% OF AUTHORIZED CONTROL LEVEL

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Alcona County
Allegan County
Alpena County
Antrim County
Arenac County
Bay County
Benzie County
Berrien County

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
Branch County
Barry County
Calhoun County
Cass County
Cheboygan County
Charlevoix County
Clare County
Clinton County
Crawford County
Eaton County
Emmet County
Genesee County
Gladwin County
Gratiot County
Grand Traverse County
Hillsdale County
Huron County
Ingham County
Ionia County
Iosco County
Isabella County
Jackson County
Kent County
Kalkaska County
Kalamazoo County
Lake County
Lapeer County
Leelenau County
Lenawee County
Livingston County
Mason County
Macomb County
Montcalm County
Montmorency County
Mecosta County
Midland County
Missaukee County
Monroe County
Manistee County
Muskegon County
Newaygo County
Oakland County
Oceana County
Ogemaw County
Osceola County
Oscoda County
Otsego County
Ottawa County
Presque Isle County
Roscommon County
Saginaw County
Sanilac County
St. Clair County
Shiawassee County
St. Joseph County
Tuscola County
Van Buren County
Washtenaw County
Wayne County
Wexford County

- 13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0
- 13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

Yes[] No[] N/A[X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other
.....

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
- 15.1 Direct Premium Written

\$ 0
- 15.2 Total incurred claims

\$ 0
- 15.2 Number of covered lives

..... 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	207,535,101	231,536,237	170,207,960	130,311,691	116,686,972
2. TOTAL Liabilities (Page 3, Line 24)	124,497,626	160,689,713	118,295,667	86,161,056	74,301,622
3. Statutory minimum capital and surplus requirement	57,097,248	54,488,418	45,093,196	36,968,278	28,871,724
4. TOTAL Capital and Surplus (Page 3, Line 33)	83,037,475	70,846,525	51,912,293	44,150,635	42,385,350
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	929,576,721	902,618,385	722,625,408	532,628,766	453,189,003
6. TOTAL Medical and Hospital Expenses (Line 18)	819,717,532	791,347,811	644,227,011	504,385,925	407,932,220
7. Claims adjustment expenses (Line 20)	7,406,423	7,433,342	6,029,099	4,542,149	9,236,841
8. TOTAL Administrative Expenses (Line 21)	82,804,710	79,606,333	58,844,327	23,354,449	22,874,030
9. Net underwriting gain (loss) (Line 24)	20,611,605	24,058,641	12,797,606	282,318	13,145,912
10. Net investment gain (loss) (Line 27)	(122,035)	(700,215)	(566,346)	(456,465)	1,675,494
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	20,489,570	23,358,426	12,231,260	(174,147)	14,821,406
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(14,819,981)	63,492,654	37,435,695	14,342,513	24,005,249
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	83,037,475	70,846,525	51,912,293	44,150,636	42,385,350
15. Authorized control level risk-based capital	28,548,624	27,388,990	22,780,960	18,432,870	14,418,474
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	186,387	203,942	191,713	158,575	144,029
17. TOTAL Members Months (Column 6, Line 7)	2,366,346	2,392,366	2,178,364	1,809,385	1,639,850
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	88.0	87.5	88.9	94.3	89.6
20. Cost containment expenses	0.2	0.2	0.2	0.2	1.3
21. Other claims adjustment expenses	0.6	0.7	0.7	0.7	0.8
22. TOTAL Underwriting Deductions (Line 23)	97.6	97.1	98.0	99.6	96.7
23. TOTAL Underwriting Gain (Loss) (Line 24)	2.2	2.7	1.8	0.1	2.9
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	123,444,079	90,756,336	73,539,136	64,334,473	49,025,297
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	130,306,511	96,014,668	74,475,353	62,581,920	53,586,669
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	16,747,144	5,861,981	5,804,255	13,098,942	12,536,934
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31	16,747,144	5,861,981	5,804,255	13,098,942	12,536,934
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	48,098,936	4,921,821	881,402,788				934,423,545	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	48,098,936	4,921,821	881,402,788				934,423,545	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1	48,098,936	4,921,821	881,402,788				934,423,545	

DETAILS OF WRITE-INS										
58001.	X X X									
58002.	X X X									
58003.	X X X									
58998.Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: All premiums wirtten in the State of Michigan

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

McLaren Health Care Corporation



40

McLaren Health Care 38-2397643 (MI) 100%	McLaren Greater Lansing 38-1434090 (MI) 100%	McLaren Northern MI 38-2146751 (MI) 100%	McLaren Bay Region 38-1976271 (MI) 100%	McLaren Central MI 38-1420304 (MI) 100%	McLaren Macomb 38-1218516 (MI) 100%	McLaren Oakland 38-1428164 (MI) 100%	McLaren Flint 38-2383119 (MI) 100%	McLaren Lapeer 38-2689033 (MI) 100%	Karmanos Cancer Institute 38-1613280 (MI) 100%	McLaren Port Huron 38-1369611 (MI) 100%	McLaren Medical Group 38-2988086 (MI) 100%	McLaren Homecare Group 38-3491714 (MI) 100%	McLaren Health Plan 38-3252216 (MI) 100% Group Code: 4700 NAIC: 95562
McLaren HC Village 26-2693350 (MI) 100%	McLaren Lansing Foundation 38-2463637 (MI) 100%	McLaren Northern MI Foundation 38-2445611 (MI) 100%	McLaren Bay Special Care 38-3161753 (MI) 100%	Meridian Ventures 38-3226022 (MI) 100%	McLaren Macomb Foundation 38-2578873 (MI) 100%	McLaren Riley Foundation 20-0442217 (MI) 100%	McLaren Flint Foundation 38-1358053 (MI) 100%	McLaren Lapeer Foundation 38-2689603 (MI) 100%	Karmanos Cancer Center 20-1649466 (MI) 100%	McLaren Port Huron Foundation 38-2777750 (MI) 100%	Mid-MI Physicians 38-3267121 (MI) 100%	Hospice and Homecare Foundation 46-3643089 (MI) 100%	McLaren Health Advantage 91-214720 (MI) 100%
Great Lakes Cancer Institute 38-3584572 (MI) 100%		VitalCare, Inc. 38-2527255 (MI) 100%	McLaren Bay Medical Foundation 38-2156534 (MI) 100%			McLaren Physician Partners 38-3136458 (MI) 100%	McLaren Hospitality House 45-5567669 (MI) 100%		Michigan Cancer Society 38-2823451 (MI) 100%	Marwood Manor Nursing 38-2683251 (MI) 100%			McLaren Health Plan Community 27-2204037 (MI) 100% Group Code: 4700 NAIC: 14217
		NMI Medical Management 20-8458840 (MI) 100%				Hospital Health Care 38-2643070 (MI) 100%			Delphinus Investments Inc. 45-4758176 (MI) 100%	Parkview Property Management 38-2467310 (MI) 100%			
		NMI Hematology/Oncology 32-0020293 (MI) 100%								Willow Enterprises 38-2491659 (MI) 100%			
		Cardiac Institute 26-2774689 (MI) 100%											
		Charlevoix Nursing Home 38-3038683 (MI) 100%										McLaren Insurance Company LTD. (CYM) 100%	
		Rapin & Rapin Prescription Services Pharmacy 38-3465261 (MI) 100%											

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